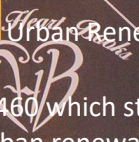


DOWNTOWN HILLSBORO URBAN RENEWAL AREA

Annual Report for Fiscal Year Ending June 30, 2020



Prepared by: Hillsboro Economic Development Council, the Urban Renewal Agency of the City of Hillsboro

This report fulfills the requirements prescribed in ORS 457.460 which states that an urban renewal agency must prepare a statement detailing financial activity within an urban renewal area.

Downtown Hillsboro Urban Renewal Area History

Over the decades, the citizens of Hillsboro have envisioned a healthy, thriving Downtown, surrounded by stable, desirable neighborhoods. Urban renewal provides a potential funding source to help pay for sidewalks, street lights, park improvements, and a host of other projects that will strengthen Downtown and enhance the nearby neighborhoods.

The Downtown Hillsboro Urban Renewal Plan (Plan) was adopted and approved by ordinance on May 4, 2010. The Plan was developed after the HEDC completed an urban renewal area (URA) feasibility study, conducted intensive outreach, considered feedback, and shared information with the public, elected officials, and other stakeholders in the area.

The URA “maximum indebtedness,” as defined by statute, is \$95,000,000. 1,108 acres are within the Downtown Hillsboro Urban Renewal Area boundary.

The Hillsboro Economic Development Council (HEDC) is the urban renewal agency for the City of Hillsboro. The governing board consists of the same individuals on the Hillsboro City Council, which is common among URAs in Oregon. The agency and its activities are funded by tax increment financing.

Goals

When developing the URA Plan and Report, the HEDC also created Goals and Objectives, as a guiding framework for the implementation of the Plan and for future decision making over its duration, in keeping with City policies. The Goals and Objectives are listed in the Plan, and the goals are reiterated here:

Goal 1: Continue public participation in the revitalization of downtown and in the protection and enhancement of surrounding neighborhoods, by providing timely and accurate information, offering varied opportunities for public input, and soliciting involvement from a range of stakeholders in decision-making.

Goal 2: Support revitalization of the downtown commercial district, to create a vibrant, active, sustainable, and accessible community.

Goal 3: Assist with improvements that support large and small businesses in creating and retaining jobs attractive to the diverse downtown workforce.

Goal 4: Ensure adequate, universally accessible, and safe infrastructure and multi-modal accessibility to and within downtown for residents, visitors, and service providers.

Goal 5: Promote and support stable and sustainable residential neighborhoods for a range of household incomes.

Goal 6: Enhance the livability of downtown through creation of new and improvements to existing parks, trails, and community recreation facilities for a range of users.

Goal 7: Support and promote downtown Hillsboro’s unique identity, in coordination with the Downtown Hillsboro Main Street program and similar programmatic efforts.

Goal 8: Support efforts to create a model for environmentally sustainable efforts in the downtown community.

Goal 9: Achieve a fair balance of urban renewal expenditures across geographic areas and types of projects, taking into account need, opportunity and relative scale of projects.

A full copy of the Downtown Hillsboro Urban Renewal Plan and Report can be found on the City of Hillsboro website at: <https://www.hillsboro-oregon.gov/our-city/departments/economic-development/development-areas/urban-renewal-areas>

Financial Reporting

Pursuant to ORS 457.460, a detailed accounting of the financial activity related to urban renewal areas is required to be reported on an annual basis. The following financial information responds to the requirements of this statute.

Money Received and Expended in the Previous Fiscal Year, FY 2019-20

ORS 457.460 (A) – “The amount of money received during the preceding fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460” must be reported.

ORS 457.460 (B) – “The purposes and amounts for which any money received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 were expended during the preceding fiscal year” must be reported.

Table 1 shows revenues and expenditures for the Downtown Hillsboro URA in FY 2019-20.

Table 1. Revenues and Expenditures, Downtown Hillsboro URA, FY 2019-20

| FY 2019-20 | |
|----------------------------|--------------------|
| Resources | |
| Beginning Balance | \$1,659,172 |
| Taxes | \$1,326,383 |
| Interest | \$53,562 |
| Notes Receivable | \$22,606 |
| Other Income | \$234 |
| Total Resources | \$3,061,957 |
| Expenditures | |
| Materials & Services | \$112,356 |
| Debt Service | \$454,463 |
| Other Expenditures | \$800,000 |
| Total Expenditures | \$1,366,819 |
| Ending Fund Balance | \$1,695,138 |

Source: Hillsboro Economic Development Council Financial Statements for the Year Ended June 30, 2020

Proposed Budget for Current Fiscal Year, FY 2020-21

ORS 457.460 (E) – “An estimate of moneys to be received during the current fiscal year under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460” must be reported.

ORS 457.460 (D) – “A budget setting forth the purposes and estimated amounts for which the moneys which have been or will be received under ORS 457.420 to 457.460 and from indebtedness incurred under ORS 457.420 to 457.460 are to be expended during the current fiscal year” must be reported.

Table 2 shows an estimate of moneys the Downtown Hillsboro Urban Renewal Area expects to be received and moneys expected to be expended during the current fiscal year.

Table 2. FY 2020-21 Budget, Downtown Hillsboro URA

| FY 2020-21 Budget | |
|------------------------------|---------------------|
| Resources | |
| Beginning Balance | \$1,608,000 |
| Taxes | \$1,391,000 |
| Interest | \$47,167 |
| Miscellaneous | \$11,522,833 |
| Total Resources | \$14,569,000 |
| Expenditures | |
| Personnel Services | \$49,830 |
| Materials & Services | \$777,000 |
| Capital Outlay | \$12,193,170 |
| Special Payments | \$800,000 |
| Debt Service | \$600,000 |
| Contingency | \$149,000 |
| Total Expenditures | \$14,569,000 |

Source: City of Hillsboro Adopted Budget, FY 2020-21

Maximum Indebtedness

ORS 457.460 (E) – “The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year” must be reported.

The maximum indebtedness of the Downtown Hillsboro URA is \$95,000,000, of which \$7,269,673 has been incurred through the end of FY 2019-20.

Impact on Taxing Districts

ORS 457.460 (F) – “An analysis of the impact, if any, of carrying out the urban renewal plan on the tax collections for the preceding year for all taxing districts included under ORS 457.430” must be reported.

Table 3 shows the forgone revenue by each of the local taxing jurisdictions in the Downtown Hillsboro Urban Renewal Area for FY 2019-20.

Table 3. Impact on Taxing Districts, Downtown Hillsboro URA, FY 2019-20

| | Taxes Imposed | | |
|----------------------------|--------------------|------------------------|---------------------------------|
| | For URA | For Affected Districts | Percent of Tax Revenue Foregone |
| General Government | | | |
| Washington County | \$265,736 | \$150,510,704 | 0.18% |
| Tualatin SWC | \$9,491 | \$5,519,880 | 0.17% |
| Metro | \$10,709 | \$16,844,006 | 0.06% |
| Port of Portland | \$8,135 | \$13,530,921 | 0.06% |
| City of Hillsboro | \$435,210 | \$48,297,477 | 0.89% |
| Education | | | |
| NW Regional ESD | \$17,625 | \$12,866,567 | 0.14% |
| Portland Community College | \$32,539 | \$38,599,892 | 0.08% |
| Hillsboro School District | \$590,495 | \$79,706,656 | 0.74% |
| Total | \$1,369,941 | \$365,876,103 | 0.37% |

Sources: FY 2019-20 SAL Table 4e (Washington County); FY 2019-20 SAL Table 4a (Washington, Multnomah, Clackamas, Tillamook, Clatsop, and Yamhill counties)